



EXCISE

774

Department of State

TELEGRAM

CONFIDENTIAL

AN: D730132-0364

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42

ACTION: AF-18

INFO OCT-01 EUR-26 NEA-10 ISO-00 OMB-01 DRC-01 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14 EB-11

INT-08 COME-00 TRSE-00 SCI-06 SCEM-02 AID-20 CIEP-02

STR-08 CEA-02 OPIC-12 /237 W
079946

R 091035Z DEC 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 0795
INFO USINT ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY TEHRAN
AMEMBASSY THE HAGUE

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY *g*

DATE 12/21/82

RDS ☐ or XDS ☐ EYT DATE

TS AUTH: REASON(S)

ENDORSE EXISTING MARKINGS ☒

DECLASSIFIED ☐ RELEASABLE ☐

RELEASE DENIED ☒ 14 OCT

PA or FOI EXEMPTIONS B1, A6

CONFIDENTIAL TRIPOLI 1526

E.O. 11652: GDS

TAGS: ENRG, LY

SUBJECT: MAJORS' FILING OF TAX RETURNS FOR SEPTEMBER 1973

1. MAJORS HAVE NOW BEEN REQUIRED TO FILE TAX RETURNS FOR SEPTEMBER PRODUCTION WHICH ARE BASED UPON PETROLEUM LAW NO. 66 (LARG HAS, AT LAST, NUMBERED THE SEPTEMBER 1, 1973 NATIONALIZATION DECREE). COMPANIES ARE COMPLYING, BUT ARE FILING LETTERS OF PROTEST WITH THEIR TAX RETURNS.

2. COMMENT: 'DETERIORATION OF MAJORS' POSITION IN THE GULF AND THE WIDE OPEN "LIDS OFF" PETROLEUM PRICE

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SITUATION HAVE APPARENTLY ERODED MAJORS' MOTIVATION AND RESOLVE TO RESIST LARG 51 PER CENT NATIONALIZATION TO A SIGNIFICANT DEGREE. EVEN THOUGH THEY DOING SO UNDER PROTEST, SEEMS TO US THAT THE MAJORS HAVE NOW ACCEPTED DE FACTO THE MOST IMPORTANT PROVISIONS OF THE 51 PER CENT NATIONALIZATION DECREE, I.E., LARG LIFTING OF NEARLY ALL ITS CLAIMED 51 PER CENT OF MAJORS' PRODUCTION, AND COMPANIES' PAYMENT OF TAXES ACCORDINGLY-BOTH IN THE ABSENCE COMPENSATION OR ARBITRATION. LARG IS GETTING WHAT IT WANTS OUT OF "UNANNOUNCED TRUCE" AND IN RETURN MAJORS ARE ONLY GETTING A) 49 PERCENT OF THEIR PRODUCTION AND B) CONSIDERABLY HIGHER ALLOWABLES FOR TOTAL PRODUCTION THAT THE INDEPENDENTS THAT ACCEPTED LARG "PARTICIPATION" (TRIPOL 1440).

[REDACTED]

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